

RETURN ON INVESTMENT

APPROXIMATE RETURN ON INVESTMENT FOR BUTTER, NONFAT DRY MILK, CHEDDAR CHEESE AND SKIM WHEY POWDER PLANTS GIVEN VARIOUS POSSIBLE MANUFACTURING COST ALLOWANCES

Uses cost studies for calendar year 2006, released September 2007

Based On Operating Cost Only

Manufacturing Cost Allowance (\$/lb)	Return on Investment for this Allowance *				Manufacturing Cost Allowance (\$/lb)
	Butter	Nonfat Dry Milk	Cheese	Dry Whey	
\$0.10					\$0.10
\$0.11					\$0.11
\$0.12	-8.53%				\$0.12
\$0.13	1.12%				\$0.13
\$0.14	10.76%				\$0.14
\$0.15	20.41%				\$0.15
\$0.16	30.06%	-0.44%			\$0.16
\$0.17	39.70%	8.46%			\$0.17
\$0.18	49.35%	17.37%	-8.64%		\$0.18
\$0.19		26.28%	0.07%		\$0.19
\$0.20		35.18%	8.79%		\$0.20
\$0.21		44.09%	17.51%		\$0.21
\$0.22			26.22%		\$0.22
\$0.23			34.94%		\$0.23
\$0.24			43.66%	-0.03%	\$0.24
\$0.25				1.33%	\$0.25
\$0.26				2.69%	\$0.26
\$0.27				4.05%	\$0.27
\$0.28				5.41%	\$0.28
\$0.29				6.76%	\$0.29
\$0.30				8.12%	\$0.30
\$0.31				9.48%	\$0.31
\$0.32				10.84%	\$0.32
\$0.33				12.20%	\$0.33
\$0.34				13.56%	\$0.34
\$0.35				14.92%	\$0.35
\$0.36				16.28%	\$0.36

* The ROIs in the table are based on the total profit or loss of all plant operations associated with the specific commodity divided by the total asset values associated with the specific commodity.



CALIFORNIA DEPARTMENT OF
FOOD & AGRICULTURE

A. G. Kawamura, Secretary

Dairy Marketing Branch, September 2007